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Patterson, Josiah

The silver question

Washington, D.C.

1894


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THE SILVER QUESTION.

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FROM

Hon. Josiah Patterson

To His Constituents.



WASHINGTON, D. C.
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1894.

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THE SILVER QUESTION.

OPEN LETTER

FROM

HON. JOSIAH PATTERSON

To His Constituents.



WASHINGTON, D. C.:
HARTMAN & CADICE, PRINTERS.
1894.

AN OPEN LETTER.

To my Fellow Citizens of the Tenth Congressional District :

The silver question is one of great difficulty, and one of incalculable importance to the happiness and prosperity of the people. This of all the problems affecting the public welfare is the hardest to understand. It has been necessary for me, as your representative, to deal with this problem at a time when the country was passing through a period of great financial distress. The panic which prevailed last fall served to emphasize the differences of opinion which existed among you. You had honored me with your suffrages, and were divided in your judgments as to the course which I, as your representative, should take. It therefore became my imperative duty to give the subject careful study and investigation in order that I might arrive at a correct conclusion. I wish to impress on you at the outset that, while I have given this subject more research and reflection than any other which has claimed my attention since I entered your service, I have no pride of opinion in regard to it. My only anxiety has been to reach a correct conclusion. I do, however, claim that with such capacity as I am endowed I have earnestly and faithfully given you in respect to this question the best service of which I am capable, with a view solely to protect and guard your interests. I therefore approach you as a representative who has devoted himself to your service and confidently ask at your hands a patient consideration of the reasons which have controlled my action.

Permit me to say further in this connection that it is with regret that I have found myself differing with statesmen who have had longer experience in public life and for whom I entertain sentiments of sincerest regard.

Finding myself differing with such men as Senators Harris and Bate of Tennessee, Walthall and George of Mississippi, Morgan and Pugh of Alabama, Jones and Berry of Arkansas, and Cockrell and Vest of Missouri, I have proceeded cautiously and with hesitation, and nothing but the strongest convictions could have induced me to separate from them on a question of the utmost importance to your welfare. Especially was it a source of regret to me to differ with my personal friend and neighbor, Senator Harris, whom I have always supported and now support for the Senate. It is, however, a pleasure to know that a difference of opinion on this question has not resulted in either a personal or political estrangement. I heartily unite with the distinguished soldier and statesman, Gen. Walthall, in counseling all Democrats not to permit differences of opinion on this subject to disturb their party relations. Notwithstanding its importance, it is at last more a scientific than a political problem. It does not involve any constitutional right or cardinal doctrine, but it is a question about which Democrats may differ in the party fold without the sacrifice of party allegiance, or fidelity to party principles.

I am induced to address you this letter because I have been detained in Washington for nearly a year, and it will be quite a year before I can return to you. As I will be a candidate for re-election, it is a duty I owe you to lay before you in the utmost frankness and without the slightest reservation, the reasons which have controlled me on this, the only question about which any of you, so far as I am informed, have found occasion to differ with me. The nature of the subject is such that it is almost impossible, in the course of a speech which necessarily touches on other matters of importance, to give this difficult question clear and comprehensive elucidation. This letter places my reasons in permanent form, and you can, at your leisure, and at your homes, read it with deliberation and give it such weight as it may deserve and your judgments may approve.

MEDIUM OF EXCHANGE.

Money is the medium by which you exchange something you have to sell for something belonging to somebody else which you wish to buy. If you have a horse and exchange it with your neighbor for a flock of sheep, that is barter, and money does not enter into the transaction. But if you sell your horse for one hundred dollars and then take the hundred dollars and buy a flock of sheep, that is not barter, but an exchange of the horse for a flock of sheep through the instrumentality of what is known as the medium of exchange.

STANDARD OF VALUE.

We have a standard of time, of distance, of quantity, of weight, and of dimensions, but money is the standard by which we measure the price of anything we buy or sell. When the standard is applied to what you have to sell, and then to what you wish to buy, you are ready to make the exchange with exactitude. So it is of the first importance that the standard of value should be certain and uniform. Without certainty and uniformity in a standard of value commercial intercourse could not be carried on except by barter. You measure cloth by a yard stick exactly three feet long. Suppose cloth measured by a yard stick three feet long be worth 30 cents per yard, or suppose cloth measured by a standard one foot long be worth 10 cents per yard, in either case you would have no cause of complaint because you would get the same amount of cloth for the same amount of money in each instance. In either case if the standard of measurement was uniform and well understood the result would be the same. But if one merchant measured cloth by a yard stick three feet long, and another by a standard two feet long, and another by a standard one foot long, and there was no uniformity in the use of either standard of measurement then there would be inextricable confusion and uncertainty.

The standard of value differs from all other standards in one essential particular. The yard stick intrinsically has but little if any value; whereas the money standard has intrinsic value, and while employed to gauge the price of property, is itself a thing of value, and its purchasing power depends on its intrinsic worth. This is the inherent defect in all standards of value out of which grow untold complications. If coon skins constituted the standard

of value, then the quantity of coon skins would necessarily determine the purchasing power of the standard. The dollar, our unit or standard of value, must necessarily therefore be affected not only by the amount of metal which it contains, but the amount of metal available in the world for the purposes of money.

GOLD AND SILVER.

Gold and silver have been universally recognized as the money metals. I shall not go into the reasons which have led mankind to adopt these precious metals as instrumentalities for measuring values further than to remark that it was because of their scarcity, durability, and portability.

THE DOUBLE STANDARD.

It is claimed by the highest authority, and I fully agree in the conclusion, that the double standard of gold and silver is preferable for two reasons.

1st. The quantity of both gold and silver in the world is necessary to supply it with an adequate medium of exchange.

2d. The double standard is more uniform and certain than a single standard of either gold or silver.

THE LEGAL AND COMMERCIAL RATIO EXPLAINED.

The gold dollar contains 25.8 grains of standard gold, which means that nine-tenths of it is pure gold, and one-tenth alloy. That number of grains was, in the first instance, arbitrarily fixed upon as constituting the dollar. Had 12.9 grains, one-half the amount, been fixed upon as constituting the standard gold dollar, the result would have been the same except that the gold dollar would then have had only one-half the purchasing power of the dollar composed of 25.8 grains. Where the single gold or the single silver dollar is the standard, there is no difficulty in fixing the amount of gold or silver which shall constitute the standard, because it may be done without regard to the commercial value of either metal. Certainty and a convenient quantity of metal are alone essential considerations where a government adopts a single standard. The great difficulty growing out of the intrinsic value of the two metals arises when it is attempted to fix a double standard. It is therefore important that you should clearly understand the meaning of the legal or coinage ratio, and the commercial or market ratio. When you say you are in favor of the free coinage of gold and silver at the ratio of 16 to 1, what do you mean? You mean:

1st. That all men shall have a right to go to the mints of the United States with gold or silver bullion, whatever its form, or wherever procured, and have it freely coined into standard American dollars on account of the owner of the bullion.

2d. That by law the relative value of the two metals shall be 16 to 1, so that every silver dollar shall weigh sixteen times as much as every gold dollar.

3d. That the money so coined shall be a legal tender for all debts public and private.

When you speak of the commercial ratio what do you mean? You mean the relative value of the two metals. When you say cotton is worth 7 cents a pound, and wool is worth 14 cents a pound, you mean to convey the idea that the ratio or relative value of a pound of cotton and a pound of wool is as one to two. So with gold and silver. If, when compared, an ounce of gold is worth sixteen times as much as an ounce of silver, then the commercial ratio would be as 1 to 16, and it would correspond exactly with the legal or coinage ratio. But if an ounce of gold was worth in the open market thirty-two times as much as an ounce of silver, then there would be a wide departure between the legal and commercial ratio. Right here lies the great difficulty in the way of the establishment and maintenance of the double standard. You must remember that you can not maintain the double standard unless you can maintain both the gold and silver dollar in circulation on a parity. If you fail in this and either the gold or silver dollar goes to a premium then the double standard is destroyed, and you are either forced to the single gold or the single silver standard, as the case may be.

To illustrate. If by law the mints are thrown open to the free coinage of both metals at the ratio of 16 to 1, then it is clear that if the commercial ratio is 32 to 1, no gold will be coined or remain in circulation for the reason that no man would be so foolish as to take gold to the mint and have it coined into dollars when he could take the same gold and exchange it for silver, and have the silver coined into twice as many dollars of the same debt-paying quality. Therefore, to maintain the double standard the legal or coinage ratio must correspond with the commercial or market ratio.

THE EXPERIENCE OF THE UNITED STATES.

As shown by me in the speech I delivered in Congress on this subject, the history of our country demonstrates the truth of the proposition that the commercial and legal ratio must correspond in order to maintain the two metals in circulation on a parity. Our first coinage law fixed the ratio at 15 to 1. This was during Washington's administration in 1792. In a few years silver declined about 4 cents on the dollar, and became the cheaper money. The result was that gold could be melted down into bullion and exchanged for silver bullion, and the latter coined at a profit of 4 cents on the dollar. So it was that gold retired altogether from circulation and we became a silver country. For twenty years gold was unknown to our circulation. In 1834, during Jackson's administration, in order to induce gold to return to this country or to come out from its hiding place, the ratio was changed from 15 to 1 to 16 to 1. In this way the silver in the silver dollar became worth about 4 cents more than the gold in a gold dollar. The result was not only an influx of gold at the ratio of 16 to 1, but the retirement of silver from our circulation in the same manner that gold was retired under the ratio of 15 to 1. In 1853 silver had practically disappeared. Then the act of that year was passed to coin fractional silver at the rate of 334 standard grains to the dollar, instead of 412½, so as to make these subsidiary coins cheaper than gold and thereby induce them to remain with us in circulation. These coins could not drive gold out

because they were limited in amount and were only a legal tender up to and including the sum of \$5.

THE ACT OF 1873.

The silver dollar was demonetized in 1873 at a time when neither gold or silver was in circulation. It is said that the act was passed surreptitiously; but, however this may be, it is certain that the silver dollar was demonetized without attracting attention, because the act was passed at a time when the people were not using metallic money. That this act was intended as a fatal blow to bimetallicism there can be no question; and that it entailed untold hardships on the American people I have no doubt. Germany had just preceding the act demonetized silver and adopted the gold standard. Two or three years subsequently the Latin Union, composed of France, Italy, Belgium and Switzerland, influenced by the action of Germany and the United States, suspended silver coinage. At the time the act of 1873 was passed the bullion in the silver dollar was worth \$1.03 in gold, and I cannot but believe that if this country at that time had adhered to the double standard it could, in conjunction with the Latin Union, have rescued the cause of bimetallicism and maintained the two metals on a parity. While this is my opinion, and I deplore the act of 1873 in common with you, the fact cannot be disguised that we are living to-day under entirely different conditions.

On the 1st day of January, 1879, we resumed specie payments, and from that day to this we have been a single gold standard country. It is useless to attempt to disguise the truth. The United States has never had the double standard since 1873, and we have been known since the re-umption of specie payments, in January, 1873, throughout the world as one of the great commercial powers which had abandoned the double and adopted the single gold standard. When the deed was done the bullion in the silver dollar was worth \$1.03, and now every other commercial nation on the globe has followed the example of England, Germany, the United States and France, and demonetized silver; and the bullion in the silver dollar is worth only 49½ cents. The statesman who does not recognize these stupendous facts when he is dealing with this great question affecting this country and all the world, is, in my judgment, a dangerous guardian of the public welfare.

THE COINAGE OF SILVER DOLLARS PRIOR TO 1878, AND SINCE THAT TIME.

There has been a very persistent clamor for the coinage of silver dollars. When the mine owners could sell their silver bullion in the open market and realize as much for it as they could at the mint this clamor was not heard. They became very patriotic in their demands for the dollars of their "fathers," when it was to their interest to secure legislation whereby the government would at the expense of the people make a market for their product. From the day Washington was inaugurated in 1789, down to the day the Bland-Allison act was passed in 1878, a period of 89 years, the mints of the United States coined 8,030,000 silver dollars. Since that time and up to the repeal of the purchasing clause of the Sherman law in

1893, a period of 15 years, we coined at our mints 419,332,000 silver dollars. The highest price at which silver bullion sold during the present month was 64c per ounce. At this price the bullion in the silver dollar would be worth 49½ cents, and the bullion in 419,332,000 silver dollars would be worth only \$207,559,340.

HOW THE PARITY BETWEEN THE GOLD AND SILVER DOLLAR IS MAINTAINED.

There is much confusion in the public mind on this question and I beg you to carefully consider the means by which the gold and silver dollar is kept on a parity. We often hear men say that the silver dollar is good enough for them and boast that they can buy as much with a silver dollar as they can with a gold dollar. An acquaintance of mine who believed in the unlimited and free coinage of silver and often discredited on the merits of the silver dollar, not long since made a visit to the City of Mexico. When he returned he told me that he had been very much shaken in his notions about silver, and that his experience in Mexico had brought about a modification of his views. He explained to me that he often saw two Mexican silver dollars exchanged for one American silver dollar, notwithstanding there was more bullion in the Mexican than in the American silver dollar. So if one of you should be offered two Mexican dollars, having twice the weight of the American dollar, you could not make the exchange without a loss. Or if one of you had five hundred gold dollars, and your neighbor five hundred dollars in silver, and the money of each was melted, you could sell your gold bullion for \$500, while your neighbor would receive a little less than \$250 for his silver bullion. And yet the truth is that you can buy just as much with a silver as a gold dollar. The manner in which this is brought about by the government should be thoroughly understood by you.

Suppose some merchant of wealth and character should advertise that he would receive five cent nickel coins as dollars in payment of all debts due him and that he would redeem each nickel when presented at his counter by paying one dollar for it. It is evident that the customers of that merchant, as long as they had confidence in his word and ability to exchange dollars for nickels, would not estimate the nickel at its true or intrinsic value, but at the artificial value placed upon it by the merchant.

It is not my purpose in this letter to go through all the processes of redemption, but I will content myself by stating the fact that all our silver and paper money is maintained by the Government on a parity with gold by holding out to the people the assurance that paper and silver money can be converted into gold, and as long as the public has confidence in the ability of the Government to make good these assurances, it will maintain the use of our money at par. You must not understand me as meaning that you can walk up to the counter of the Treasury and demand the redemption of silver dollars in gold; or that you can make a demand for gold in exchange for National bank currency. You can, however, demand greenbacks for National bank notes, and then demand gold on the greenback notes. As to silver dollars, they are made receivable for

all public and private debts. They are legal tender. The Government collects about the sum of \$500,000,000 annually in the way of taxes. The silver dollars, therefore, have access to the revenue channels, and can, if their holders elect, flow into the Treasury at the rate of \$500,000,000 annually. Now, it is clear that as long as the Government receives silver dollars for all dues and debts, and all private citizens receive them for their dues, and at the same time the Government discharges all its obligations in gold, the parity will be maintained without regard to the intrinsic value of the bullion in a silver dollar; and that this must necessarily be true as long as this condition of affairs continues.

Different kinds of money must necessarily be on a parity as long as each kind has the same purchasing power or debt-paying quality. The reason why an American silver dollar is worth twice as much as a Mexican silver dollar, notwithstanding the other has twice as much bullion value, is because you can pay all debts in the United States, be they public or private, with the former, while the Mexican dollar has no such legal-tender quality. As long as the Government maintains the parity the silver dollar will have the same purchasing power as the gold dollar.

WHY OUR SILVER MONEY REMAINS IN THE UNITED STATES.

You have no doubt observed the fact that our silver money remains with us, while the commercial community is constantly watching the exports and imports of gold with the utmost anxiety. The reason of this is very simple. It is only in this country the silver dollar has the legal-tender debt-paying quality. In the United States it is receivable for all public or private debts, and so long as the Government maintains the parity between all of our dollars, just so long will the silver dollar be equal to the gold dollar in this country. Neither is the gold dollar a legal tender for debts, public or private, outside of the United States; but the bullion in a gold dollar is worth precisely one hundred cents, and therefore the legal tender quality is not material. Take a thousand silver dollars and a thousand gold dollars and you can, so long as the Government maintains the parity, buy in this country just as many commodities with the former as with the latter. But suppose you should melt the silver and gold dollars and convert them into bullion, then you can purchase precisely the same amount of commodities with the gold bullion that you could with the gold dollars; but you could only buy a little less than one-half the amount with the silver bullion you could have purchased with the silver dollars. Our silver dollars that find their way to foreign countries are nearly as valuable as our gold dollars, not because they can be used in foreign countries, but because they can be transported back to this country and here converted into gold dollars or their equivalent. So it is that all of our silver money remains in this country. Not a dollar escapes unless it is temporarily, and then it hastens to return. On the other hand gold ebbs and flows with the tide of commerce. Sometimes our great crops causes it to flow to our shores in abundance, and money is easy and

times good. Then again for some cause it runs the other way, and when it does it is always regarded as an omen of financial distress.

CHEAP MONEY DISPLACES SOUND MONEY.

This is a truth which you should never lose sight of. You hear the cry all around you, "more money, more money." The idea seems to prevail that money can be penned up so as to keep it in one place. This is not true unless there is some defect in the money which intrinsically affects its value and confines it to one locality. Money which is recognized as a standard of value or par of exchange the world over, is as elusive as unrestrained water. As water under a fixed law of nature flows until it finds its level, so does money flow in the direction of the greatest demand, and it is governed in its movements by laws as immutable as the laws of nature. No more will flow to a community than is required by that community; and if there are two kinds of money, one of which is regarded as more desirable than the other, the undesirable money will enter the marts of trade in a locality where it can be used to the best advantage, and the better money will seek other channels where the inferior money would not be received with favor. Suppose you had five hundred silver dollars and five hundred gold dollars, and you wanted to pay five hundred dollars on debts you owed and lay aside five hundred dollars for future use, is it not certain that you would send the silver dollars on their way to pay your debts and swell the arteries of trade, while you would retain in your strong box for future use the gold dollars?

It is very evident to my mind that our silver dollars, instead of swelling our circulation, have taken the place of other money intrinsically of more value. We have a most striking illustration of this truth in our own history. On the first of January, 1862, our gold and silver coins went to a premium, and from that time until the first day of January, 1879, greenbacks and national bank notes constituted our entire circulation. This was a period when the people had plenty of money, such as it was, and all values were high. The truth is, that the highest amount of greenbacks and national bank notes we had in circulation during that period at any one date was about \$804,000,000, or about one-half the amount of our present circulation. During this period our mines produced gold and silver bullion of the coinage value of \$1,130,650,000. Now, to say nothing of the stock on hand when the suspension took place, the greenbacks and national bank notes were not in any sense an addition to our money, but were substitutes for this gold and silver. The truth is they constituted the cheaper money, and as the government was powerless to maintain the parity the coins went to a premium and the depreciated paper money took their place. So it was that we had more gold and silver expatriated and driven out of the country than the paper money which took its place amounted to. I am, therefore, of the opinion that the silver dollars coined under the Bland-Allison act, and what is known as the Sherman law, could not be regarded as an addition to the volume of our currency, but as a substitution of silver for other money. Silver can only accomplish good results

by coining it at a ratio which corresponds with the market or commercial ratio. Then it will become money, standard money, money of ultimate redemption, and constitute, with gold, our standard of value.

AN INFLATED CURRENCY.

Referring to the period when we had greenbacks and national bank notes only for currency, and when metallic money was at a premium, it may seem to some of you that those were prosperous times. With land at \$30 per acre and cotton at 40 cents per pound, the question may be asked why were those not better times than when land is worth \$10 per acre and cotton 7 cents per pound. High prices brought about by an inflated currency do not indicate prosperity. A man may have unnatural strength when he has a fever, but when the fever subsides his strength is greatly impaired. A man may waste his inheritance, and before it is exhausted enjoy the pleasures of riotous living, but when his substance is gone want and poverty stare him in the face. A man may have a misunderstanding with his neighbor, and waste his property in unprofitable litigation, but when it is all gone he will have to repent his folly. A nation may go to war, and all its people become absorbed in its prosecution, and then a period of wastefulness and destruction is certain to ensue. A depreciated currency will be forthcoming. Prices will become inflated. So far as the value of property and the redundancy of the currency are concerned, everything would seem to indicate great activity and prosperity. But this is not real prosperity or real happiness. It is a fever. It is national intoxication and destructiveness. It is a consumption of the substance of the people. A man might as well say he would enjoy the warmth when his house was on fire as to say he would like to return to the times following the war. War or social commotion of any kind is a curse and not a source of plenty and prosperity. All the poverty and privations you have experienced during all these years resulted from the war. No cheap and depreciated money never promotes the public welfare. Money, as I have said, is a medium of exchange. How much will it buy is the question. Cotton is now worth 7 cents per pound. If you take \$7 and buy more with it for your family than you could have bought ten years ago with \$10, then cotton at 7 cents will bring more of the comforts of life to you and yours, than cotton at 10 cents formerly did.

IS THE GOVERNMENT COMPELLED TO REDEEM ITS OBLIGATIONS IN GOLD?

I answer, No! When you go to the Treasury with greenbacks or Treasury notes, the Secretary of the Treasury can redeem them in either gold or silver, as he sees proper. He can, if he chooses, redeem in silver and thereby in terms comply with the obligation of the Government. Then why did he resort to the sale of bonds for gold to pay the obligations of the Government when he could have discharged them in silver? This is a pertinent inquiry and you should understand the reason. The silver dollar, as I have already said, is intrinsically worth less than one-half the gold dollar. The parity between the two metals is only maintained by the Gov-

ernment; on the one hand, making silver receivable for all public and private dues, and on the other hand, paying all its obligations when required, in gold. Returning to the example of the merchant accepting nickels in lieu of dollars: As long as he kept up the arrangement, and had the ability and disposition to carry it out, nickels in his community would be equal to dollars, because they could be used as dollars at the counter of the merchant. Suppose the merchant should become indisposed or unable to carry out the arrangement. Then it is clear that the nickel could only be used at its nominal value. Suppose the United States should become indisposed or unable to redeem its obligations in gold, and should begin to pay out silver. Is it not certain that this would destroy the parity, and that instantly gold would go to a premium? When gold went to a premium is it not certain that it would immediately go out of circulation, and the United States be abruptly and absolutely brought to a silver basis? To me the proposition is so self-evident that I am unable to see how any one could dispute it. That hour when the Government elects to pay silver on its obligations, the United States will abandon the gold standard and adopt the single silver standard. This result is self-evident and inevitable. Both the great political parties are pledged to maintain the parity between the gold and silver dollar. To do this the Treasury must be prepared at all times to pay gold on its obligations. When it refuses to do so then each dollar must stand on its own intrinsic value. As one is intrinsically worth twice as much as the other, the dearer or better money will retire from circulation, and the cheaper money will take its place. To bring this about will require no law of Congress, but it will follow under the operation of the law governing values, which is as immutable as the law of gravitation. It is the same law under which Confederate notes drove coin out of circulation in the South during the war, and the same law under which greenbacks forced it out of circulation in the North during the same period.

COULD THIS COUNTRY INDEPENDENTLY COIN SILVER WITHOUT LIMIT AT THE RATIO OF 16 TO 1 AND AT THE SAME TIME MAINTAIN THE PARITY.

Answer, yes! until such time as we would be plunged into national bankruptcy. As long as the Government could provide gold to pay its obligations and would receive the silver dollars in payment of all public dues, the parity would be maintained; but when it was unable to redeem its obligations in gold, or the world of trade and commerce should lose confidence in its ability to do so, then the crash would come. The Government might sell bonds indefinitely to maintain the parity but the time would come ultimately when all our resources would become exhausted and national bankruptcy would follow. If the silver and the gold dollar were left to themselves to part company or remain on a parity according to their merits and in obedience to the immutable law governing all values, then I say it is absurd to suppose, under existing conditions, that the parity, independently of governmental aid, would continue for an hour at the ratio of 16 to 1. If I believed or had any good reason to believe that a parity could be maintained under such conditions, there is not a

man in Congress who would more gladly vote for the free and unlimited and independent coinage of silver than myself. I would be one of its most earnest advocates. But I am sorry to say that I do not believe such result would follow. I have no thought that it would. You can to-day buy about 34 ounces of silver with one of gold. The relative value of the two metals is as one to thirty-four. If you were to put twice the amount of silver in the dollar as it now contains, it would not be worth intrinsically the gold in a gold dollar. I maintain, as did Washington, Jefferson, and Hamilton, and all the other statesmen of all other countries, and of all ages, that the coinage ratio must conform to the commercial ratio in order to maintain the double standard. When in fixing the coinage ratio you depart from the commercial ratio you are all at sea. Thirty-four to 1 is the commercial ratio. If we are to have the free, unlimited and independent coinage of silver, why fix the legal ratio at 16 to 1? Why not put it at 15 to 1, or 10 to 1, or 5 to 1, or 1 to 1? What guide have you, what assurance that you can maintain the parity at any other than the commercial ratio? I have no doubt that an act for the free coinage of silver in this country would have the effect to check the decline in silver, and would probably result in materially increasing its price; but no man can tell how much. It is all conjecture. We know when we had the ratio of 15 to 1 that gold was worth a little more than 1 to 15, and therefore retired from circulation. We know that when we had the ratio of 16 to 1 that silver was worth a little more than 16 to 1, and it therefore departed in like manner, as did gold under the ratio of 1 to 15. The same unchanging law which governed then governs now. It therefore seems to me inevitable that the free coinage of silver at the ratio of 16 to 1 would result with absolute certainty in driving gold out of circulation and the establishment of the single silver standard.

CAN THE DOUBLE STANDARD BE MAINTAINED BY CO-OPERATION BETWEEN THE COMMERCIAL POWERS?

This is one of the absorbing questions of our times. It is conceded by the standard authors that no one government can maintain the double standard. This is not debatable ground in the world of scientific thought. So far as my knowledge goes, (and I have read many books on the subject) there is not one writer of recognized ability in the world who subscribes to the doctrine that any single country or nation can, independently of all others, maintain the double standard. The point in controversy is whether the commercial powers combined can accomplish that result? One body of learned men contend that the open market fixes the value of both gold and silver, and as all commodities fluctuate in value, it is impossible, even by agreement of the great commercial powers, to so dominate and influence the commercial ratio as to make it conform to any legal ratio upon which they might agree. On the other hand many learned men contend that if the United States, Great Britain, Germany, and France should agree to adopt and maintain a ratio, they could easily do so, and that the price of silver would conform to it. My

own opinion is that this is entirely practicable. Half the population of the world now have the single silver standard, and there is no par of exchange between the silver-using and the gold-using countries. There is nothing with which to measure values. Trade is carried on by barter and not through any medium of exchange. The gold-using countries barter their goods with silver-using countries by weight. It is a barter for silver and then a barter of silver for gold. Such an arrangement is unsatisfactory and hurtful to trade throughout the world. The commercial powers must, it seems to me, recognize the absolute importance of a return to bimetallicism and a permanent establishment of the double standard. In my judgment the attitude of the United States is one that will hasten this result. Had we attempted to take care of and provide for silver it would have postponed, in my opinion, indefinitely, a return to the bimetallic standard. We are now in an attitude to encourage the movement and at the first opportunity to give it direction. I am very sure that I stand ready at any time, so far as my vote and influence goes, to promote the cause of bimetallicism.

STUDY THIS PROBLEM.

Sometimes we think more clearly by getting out of old ruts and striking out on new lines of thought. Let me present to your minds the free coinage problem in a new aspect. If you had a bar of gold you could take it to the United States mint and have it assayed and weighed, and receive in money its coinage value. You would not have to wait to have your bar coined into money, but the Government would take it and pay you its coinage value. In substance it would purchase the gold. Suppose we were to pass a law to coin silver at 16 to 1. The same process would obtain, when you went to the mint with a bar of silver it would be assayed and weighed, and if it was sufficient to yield, when coined at that ratio, say \$1,000, you would receive \$1,000 and the Government would coin the silver on its own account. Practically it would be the purchase of silver at the ratio of 1 to 16. Now, the gold bar would be worth just as much before it was coined as afterwards; while the silver bar for which you could get at the mint \$1,000 would be intrinsically worth less than \$500.

The difference between the Bland-Allison act and a free coinage act is this: The Bland-Allison act was an act for the independent purchase of a limited amount of silver, to be coined into a limited number of dollars. By this process the Government made a large profit, called seignorage, equalling the difference between the commercial and coinage value at the ratio of 16 to 1. Free coinage at the ratio of 16 to 1 is entirely different. In that case the Government would purchase an unlimited amount of silver—all the world would offer—not at its commercial value, as under the Bland-Allison act, but at its coinage value, and then freely coin it into an unlimited number of dollars. The value of an ounce of silver at the ratio of 16 to 1 is exactly \$1.29; and the value of an ounce of silver at its commercial price is now only 64 cents. This makes a difference of 65 cents on the dollar in the commercial and coinage price. Under

the Bland-Allison act, in the event silver did not further decline, the Government would lose nothing because the difference would belong to the United States; while under a free coinage act it would go to the mine owners, who now denounce me for voting to repeal the Sherman law.

Suppose a bill should be introduced into Congress to this effect: "Hereafter the Government shall purchase all silver bullion without regard to quantity, or wherever produced; or by whomsoever sent to the mint, at the rate of \$1.29 per ounce, and coin it into silver dollars at the ratio of 16 to 1."

Who would vote for such a law? Put the proposition in this form and it would have no supporters outside of the mine and bullion owners. And yet the ingenuity of man cannot show the difference between such a law and one for the free, unlimited, and independent coinage of silver. It would in effect be free coinage, but the proposition is stated in a form which brings it out in its true meaning.

IS IT DESIRABLE TO ABANDON THE GOLD AND ADOPT THE SILVER STANDARD?

This is the vital question in our politics. I say politics because, so far as authors of weight and respectability are concerned, not one (so far as my knowledge extends) can be found who advocates the silver as the preferable standard. The battle of the standards is not waged on this line, but on the line that the single gold standard is preferable to the double standard. On the latter proposition it may be dismissed with the observation that the people of the United States, irrespective of party lines, are overwhelmingly in favor of the double standard. The friends of free coinage in Congress have never gone to the extent of openly advocating the single silver standard. You may take all their speeches and you will not find a line which suggests to the people the propriety of abandoning gold and going to the single silver standard. Yet this is the real issue they make and the real question which ought to be discussed. Privately there are quite a number of free silver advocates who will say that they would advocate the free coinage of silver even if they knew the result would be to drive gold out of the country and place us on the same plane with the silver-using countries. The manner in which this question is handled by the advocates of the free, unlimited, and independent coinage of silver, at the ratio of 16 to 1, is unfair, unintelligent, and misleading. They never once stop to ask whether it can be done, and at the same time retain both gold and silver in circulation on a parity. I invite your careful attention to this phase of the question and ask you to read the speeches of these gentlemen in the light of what I say. They all advocate free coinage earnestly, sometimes passionately, and try to put those who believe as I do in the attitude of advocating the single gold standard, and as opposed to bimetallicism. I am, for instance, held up as an advocate of the gold standard and the enemy of silver. They represent me as opposing the free coinage of silver at the ratio of 16 to 1, not because I believe it to be impracticable and impossible, but because I am opposed to the double standard. This is a total misapprehension of my position, and is alike unjust to me and to you.

There is not a man in public life who would vote for the free coinage of silver quicker than I would, if I believed, or had any reason to believe, it would result in securing the double standard. I believe this result, in view of the fact that every enlightened nation on earth has abandoned or suspended the free coinage of silver, can only be brought about through an international agreement. No one nation, in my judgment, can do it. It requires the co-operation of the great commercial powers of the world to bring about this result, so earnestly desired by the great body of the American people.

Then why not meet the question fairly and intelligently? Why not say, "Mr. Patterson, like the rest of us, is in favor of the double standard and is as solicitous to bring it about as we are. The only difference between us is that we believe this government can independently and alone bring about the result; while he believes that it can only be done through the co-operation of the great commercial powers of the world." Why not state the proposition truthfully and then discuss it fairly and understandingly?

The truth is they dare not do it, because all experience and the common sense of mankind is against their contention. They may go into every book store in America and search in vain for a single writer, of recognized authority, who maintains that it is in the power of any single government, independent of all other governments, to adopt and maintain the double standard. The relative value of gold and silver in the markets of the world is about 34 to 1 to-day, and the proposition to coin silver freely without limitation at the ratio of 16 to 1, and to maintain gold and silver in circulation on a parity is preposterous. It is against the experience and the enlightened judgment of mankind; and the suggestion that it can be done is scouted in every center of trade and commerce throughout the civilized world.

Then why not come out from under cover and assume the responsibility for all that free coinage implies?

Why not admit the truth that the free, unlimited, and independent coinage of silver by this country means necessarily and inevitably the single silver standard, and then attempt to maintain that silver is the better money?

This is the question, and the only question that leaves room for fair and legitimate discussion. Before I came to a conclusion in the progress of my researches, I devoted much time and reflection to this problem. I never believed for a moment after silver declined to 90 cents an ounce, that free coinage could result in anything else but the single silver standard. I therefore considered, as carefully as I am capable, the probable result of free coinage on our own country, and especially on you, the people whom I represent.

I was influenced in coming to the conclusion that I ought to vote against the free coinage of silver, among others, by the following reasons:

1st. When I looked abroad over the whole world I found there was not one enlightened Christian nation on the globe that had not abandoned or suspended the free coinage of silver. Wherever commerce flourished; wherever prosperity prevailed; wherever schools

and colleges flourished; wherever people were enlightened and progressive, there I found gold to be the standard. On the other hand, wherever instability existed, thrift and prosperity were wanting; trade and commerce were stagnant; Christianity and enlightenment were obscured; there I found the single silver standard.

Our country is marvelously in its achievements in the past, and in its possibilities for the future. It adopted the single gold standard in 1873, and it went into effect, on the resumption of specie payments, on the 1st day of January, 1879. While, by means of unjust tariff laws and class legislation, you and your associates of the South have been impoverished; yet the truth is that since 1879, we have made marvelous progress in the accumulation of material wealth. I therefore hesitated and refused, by my vote, to cut loose from the other progressive nations of the world, and to place this country in the same category with China, India, Japan, Korea, Persia, Mexico, Peru, Chili, and every other helpless and discredited government on earth.

2d. You are all dependent for your money on cotton. The district I represent is a cotton producing district, and Memphis is the emporium for cotton farmers who are peculiarly and especially dependent on gold-using countries. Sixty-eight per cent, or 68 out of every 100 pounds of cotton produced in the Southern States is shipped abroad and sold in foreign countries. Scarcely a bale of it goes to any silver country. Eighty-five per cent of all the cotton we export goes to Great Britain, France, and Germany, and the balance goes practically to lesser European countries. These countries all have the gold standard; and as long as we maintain the same standard we can export and sell our cotton to them and know exactly what we are doing. Suppose we were at the single silver standard. We would be at their mercy. We would be eaten up by exchange. We would receive gold for our cotton, and in exchanging it for silver we would enrich them and impoverish ourselves. I will never, so long as I am in public life, place the people I represent in such a plight. You can hear men talking about this country being a great, big Nation, fully able to direct its own policy independent of all other countries. This is an idle and absurd pretension when addressed to Southern farmers engaged in producing cotton. They are absolutely dependent on foreign markets, and are as much interested in the market at Liverpool as in the markets at Memphis and New Orleans. For the Southern people to be required to ship 68 per cent of their cotton to gold countries, and when they have sold it for gold, then to have to exchange it for silver when it is fluctuating even more in the market than cotton, would result in hardships which I for one will not entail on them. These foreign countries would then have us by the throat as they now have every other silver-using country in the world.

3d. There was another reason which had great influence with me. Notwithstanding all you have heard from the mouths of Populist orators about the Southern people being oppressed with debt, it is not true. The fact is that the South when compared with the balance of the country is practically out of debt. In taking the census, all the mortgages on land measured by the acre or by the lot were

estimated. This did not include railroads or personal property, but town and city lots and farms. Constantly you have had it dinned into your ears that you were overwhelmingly in debt, and that your interests required more money and cheaper money in order to enable you to get out from under your misfortunes. Financial quacks never tire of telling you how you are ground to the earth by the money sharks of New York. If they are to be believed you are groaning under a weight of debt and New York has you by the throat. You will be surprised when I tell you that the mortgages on lots and acres in the State of New York amount to \$1,607,874,301, while all the mortgages on lots and acres in the States of Virginia, North Carolina, South Carolina, Florida, Georgia, Tennessee, Alabama, Mississippi, Louisiana, Arkansas, and Texas, amount to only \$342,106,201. The mortgages in the single State of New York amount to nearly five times as much as all the mortgages in these eleven Southern States. The mortgages in New York amount to \$268 per capita, and in the Southern States to only \$22 per capita. The mortgages in New York amount to 30.62 per cent of the true value of real estate; while in the Southern States it amounts to only 8.69 per cent.

It delights the Kansas populists to peregrinate through the South and recount his own woes and the supposed woes of the Southern people. His heart goes out for a cheaper dollar to lift the mortgage from his own roof, but he never thinks of the fact that while his Southern neighbor is annually oppressed by an infamous system of taxation, he is practically out of debt. It will be of interest to you to run a parallel between Tennessee and Kansas. The mortgages in Kansas amount to \$243,146,826, and in Tennessee to only \$40,421,396. In Kansas they amount to \$170 per capita, and in Tennessee to \$23. In Kansas, 26.83 per cent of the true value of real estate is mortgaged, and in Tennessee only 8.80 per cent.

Nebraska is another State from which Coxey gathers recruits, and in which populism flourishes. The populists have also made some converts in Georgia, and therefore it would not be amiss to run a parallel between these States. The mortgages in Nebraska amount to \$132,902,312, and in Georgia to only \$27,387,590. In Nebraska they amount to \$126 per capita, and in Georgia to only \$15. In Nebraska they amount to 20.03 per cent of the true value of real estate, and in Georgia to only 7.15 per cent. Our populist fellow-citizens throughout the South will probably be astonished to know that mortgages in Kansas and Nebraska exceed by \$33,942,942, the aggregate of all the mortgages in the eleven Southern States. We of the South have but little money, and I feel as keenly as any of her sons the unjust and iniquitous legislation which has doubled the burdens of our people. But the fact is, we are better prepared to maintain our standard of value than any other section of the country.

4th The history of the world shows that any disturbance or derangement of the medium of exchange is always fraught with disaster. To abruptly change the standard from gold to silver would derange all prices and throw the country into interminable confusion. We can estimate the difficulties of transposing a great government of sixty-five millions of people from a dollar worth 100 cents to a dol-

lar worth only 49 cents? In this change who would suffer the most, the rich or the poor? Is it not evident that the toilers in the field and the workshop would be the chief sufferers? If all history be not a lie, and all human experience a delusion, then any derangement of the standard of value is a curse to the masses. Such a derangement took place in England in the reign of William and Mary, and here is an extract from Macanlay's "History of England," showing the distress which it brought on the English people:

But when the great instrument of exchange became thoroughly deranged, all trade, all industry, were smitten as with a palsy. The evil was felt almost daily and hourly in every place, and by almost every class; in the dairy and on the threshing floor, by the anvil and by the loom, on the billows of the ocean, in the depths of the mine. Nothing could be purchased without a dispute. Over every counter there was wrangling from morning to night. The workman and his employer had a quarrel as regularly as the Saturday night came around. On a fair day or on a market day, the clamors, the reproaches, the taunts, the curses, were incessant; and it was well if no booth was overturned and no head broken. No merchant would contract to deliver goods without making some stipulation about the quantity of the coin in which he was to be paid.

Even men of business were often bewildered by the confusion into which all pecuniary transactions were thrown. The simple and the careless were pillaged without mercy by extortioners whose demands grew even more rapidly than the money shrank. The prices of the necessities of life, of shoes, of ale, of oatmeal, rose fast. The laborer found that the bit of metal which, when he received it was called a shilling, would hardly, when he wanted to purchase a pot of beer or a loaf of bread, go as far as a sixpence. But the ignorant and helpless were cruelly ground between one class which would give money only by tale and another which would take it only by weight.

Then, as now, men who sought popular favor took advantage of the situation to denounce those who advocated a uniform and certain standard. At last Sir Isaac Newton and John Locke, the foremost men of their times, and who to-day stand in the front rank of the philosophers of the world, took the matter in hand and restored the English people to a safe and uniform currency.

REPEAL OF THE PURCHASING CLAUSE OF THE SHERMAN LAW.

The Bland-Allison act was passed in February, 1878. It required not less than two nor more than four million ounces worth of silver to be purchased every month and coined into silver dollars. This act was repealed in July, 1890, by the Sherman law, which required the purchase of four and one-half million ounces of silver every month, which, when coined, would add about \$54,000,000 of silver annually to our circulation. Under the Bland-Allison act about 383,000,000 silver dollars were coined; and under the Sherman law the coinage was partially continued until the silver coined under both acts amounted to \$419,000,000. The Government paid for the four million ounces purchased monthly under the Sherman law by means of Treasury notes issued for that purpose. When this law was repealed in 1893, we had outstanding something more than \$150,000,000 in Treasury notes, which had been paid out in the purchase of silver bullion, and of the amount so purchased we had on hand, stored in the Treasury, 130,465,000 ounces, of the coinage value of \$168,294,000. These Treasury notes were made receivable for all public dues and were redeemable in coin, which means gold, if the parity between gold and other kinds of money now in circulation is to be maintained.

The Sherman law was a Republican measure and was passed by Republican votes over the united opposition of the Democrats in Congress. Mr. Cleveland had, from time to time, during his first term, warned the country of the result which would follow an indefinite purchase of silver under the Bland-Allison act. When he was inaugurated President on the 4th of March, 1893, he found the country drifting into the vortex of a great financial panic. I do not say that the Sherman law was solely responsible for this catastrophe. There were other causes growing out of overtrading and vicious finances which tended to depress trade and derange commerce. The collapse in the Argentine Republic, the failure of the Baring Brothers, and the suspension of the banks in Australia, all materially contributed to hard times in Europe and to the crisis in this country; but the Sherman law opened the way to the trouble. When these depressing influences which found their origin in other countries began to have their effect on this, the people of the United States were unprepared for it. Then, again, when Mr. Cleveland was elected he found a bankrupt Treasury. There was a deficit in the Treasury, and this, no doubt, largely contributed to the panic. But the main and approximate cause of the trouble was the want of confidence at home and abroad, in the ability of this Government to maintain gold and silver on a parity. Those who held our securities abroad, as well as at home, became very much alarmed, and the idea took root in the public mind that the United States was drifting to the silver basis. The business community was seized with the apprehension that the day was fast approaching when the gold reserve in the Treasury would be exhausted and this country would be compelled to resort to the payment of silver in the discharge of its obligations.

The most of our tariff taxes are collected at the port of New York. The receipts of money at the custom house in that city shows clearly that there was good cause for grave apprehension. When Mr. Cleveland retired from office on the 4th of March, 1889, the Treasury had an overflowing surplus, and 90 per cent of our custom house taxes were being paid in gold. When he returned to office on the 4th of March, 1893, the Treasury was bankrupt, and the receipts of gold at the custom house in New York had fallen to 4 per cent.

About the 1st of June, 1893, India, with its population of 260,000,000 people, suspended silver coinage. That country had for ages absorbed enormous amounts of silver. Its action, therefore, tended still further to depreciate its price and to precipitate the crisis in the United States.

I call your attention to the incontrovertible fact that for sixty days prior to the time when Mr. Cleveland issued his proclamation calling Congress together in extra session, not one dollar in gold was paid in at the custom house in New York. Greenbacks, Treasury notes, and silver had taken its place, and, so far as gold was concerned, blocked up the channels through which alone it could flow into the Treasury. These were conditions under which the country was drifting into the vortex of a great panic. Business was suspended. Labor was discharged. All enterprise came to a standstill. More than two millions of men were out of employment, and

were being fed throughout the Northern states at public soup houses. It was under these circumstances that Congress convened at the call of a Democratic President, and on his urgent recommendation the purchasing clause of the Sherman law was repealed. I believed, and the country believed, that if it was not done the United States would be precipitated to the silver basis, and all prosperity would be swallowed up in the maelstrom of financial chaos and ruin, such as no enlightened nation ever experienced.

WHAT DID THE REPEAL ACCOMPLISH?

It is now flippantly said the repeal of the Sherman law accomplished nothing for the country. The critics of the administration demanded absolute restoration to financial health and vigor the moment the President signed the bill. This is illogical and unreasonable. You might as well expect a man severely wounded to be restored to health the moment the bullet is extracted; or a man who is sick with a fever, to do a man's work the day after it subsides. No country can recover from such a malady in a day, or a week, or a month, and he who expects it or demands it is unreasonable and shortsighted. The country must have time to recover. Especially is this so in view of the fact that it has been expectantly waiting for months the passage of the tariff bill. The fact is, however, that while business has not resumed its wonted prosperity, confidence was restored, banks resumed business, two millions of men quit the soup houses and went to work, and manufactories throughout the country have, and are resuming business. In view of the violence and duration of the shock, and the unsettled state of the tariff question, I maintain the country has recuperated quite as fast as the people could reasonably have anticipated.

POLITICAL CONSIDERATIONS.

I am gratified to be able to say to you that political considerations, as well as my own judgment, matured by study and reflection, united in bringing me to the conclusion that I ought to support the administration in its efforts to bring about the repeal of the Sherman law. When I look out West to Kansas, Nebraska, Colorado, Nevada, Wyoming, North and South Dakota, Idaho, Montana, Oregon, and Washington, I see a country of vast territorial dimensions. Much of it is inhospitable and barren. We of the South have practically no connection with that part of the country. No navigable rivers unite us in the bonds of commerce. Our railroads do not run in that direction. We have with that section of the Union, practically no intercourse and nothing in common. In all that vast area there was not one electoral vote for Grover Cleveland. They were all Republican or Populist. For twenty-five years we of the South have sat around the telegraph offices on the eve of every Presidential election expectantly waiting, as if our doom depended on it, to hear the news from New York, New Jersey, Connecticut, and Indiana. These States are bound to us of the South by all the ties of commerce. Every electoral vote in these, the old friends of the South, was cast for Mr. Cleveland; and not a single vote did

either of them give in either House of Congress against the repeal of the Sherman law. The State of Illinois which fell into the Democratic column for the first time since the war, gave only four votes in the lower House against repeal; while the State of Wisconsin, the new convert to Democracy, gave not one in either House. The border States of Kentucky, West Virginia, and Virginia, have twenty-four votes in the lower House, and twenty of the twenty-four were cast for the repeal of the Sherman law. Take the eighteen States north of the Potomac and Ohio rivers, and east of the Missouri, and you will find that they constitute a large majority of our wealth and population. They have a majority of thirty in the Electoral College. They constitute the seat of empire in this great Republic. They have 211 representatives in the lower House of Congress, and all but 13 sustained the President in his financial policy. Their entire representation in the Senate, excepting one Republican, voted in the same way. How absurd it is then for our people of the South to unite themselves with the far-off silver States, which are merely struggling to make the Government furnish a market for their products; and make war on the States with which they are identified commercially, and go down to certain defeat; with the loss of all political power and influence.

PRODUCTION OF SILVER.

The low price of silver and the probability of its further decline will have the effect to materially reduce its production. On the contrary the demand for gold will largely increase the supply. In 1893 the world produced \$155,000,000 of gold, the largest production in any one year known to history. It equalled the production of gold and silver combined in the year 1861. The director of the mint estimates that the yield this year will be about \$170,000,000, and that it will reach \$200,000,000 in 1896. The improved methods for extracting gold now enables the miner to work ore successfully which yields not more than \$2 or \$3 per ton. I believe the annual production will reach \$250,000,000 by the year 1900. The diminution in the production of silver and the increase in the production of gold will have a tendency to increase the value of silver, and to hasten the time when the enlightened nations of the world can retrace their steps and unite in restoring the double standard.

MY POSITION.

1st. I am a bimetalist in the true sense of the term. I am opposed to either the single gold or the single silver standard; but favor a double standard of gold and silver.

2d. I stand by my vote to repeal the Sherman law, because that law would ultimately, at no distant day, have forced the country to the single silver standard.

3d. I oppose the free coinage of silver at the ratio of 16 to 1, because it would instantly result in making the United States, like Mexico, a silver country.

4th. I desire the double standard; but as between the single gold and the single silver standard, I prefer the former.

5th. I believe the double standard can only be restored by the cooperation of the great commercial powers which have demonetized silver; and I shall be prompt to favor such legislation on the part of this country as will bring about that result.

6th. In the meantime I favor the largest use of silver in our circulation which can be safely maintained without impairing our present standard of value.

7th. I have not discussed our banking system, but I favor an overhauling of the entire system and the enactment of a law that will insure the people a safe and elastic currency, sufficient for the transaction of their business. I voted to repeal the 10 per cent tax on State bank issues.

8th. I would, in order to give a wider field for the use of silver, eliminate from our circulation all money below the denomination of \$10, except silver and silver certificates.

THE CHARGE OF INCONSISTENCY.

I have been nominated and elected to Congress twice. The Democracy of the district has never given instructions in a platform or otherwise, as to how I should vote on any proposition. I have had no other guide but the National and State platforms and the political principles which I profess.

It is true that in 1890, when I was a candidate for Governor, and during the brief canvass that I made before my election to Congress, I advocated the free coinage of silver. About that time silver ran up as high as \$1.20 per ounce. It has now fallen to 64 cents. I then hoped and believed free coinage would result in restoring silver to a parity with gold. I believe now that I was mistaken then; and now I see no hope for such a result. Then, India had free coinage and was absorbing a large proportion of the world's supply of silver. Now, India has suspended silver coinage. Then I had not passed through a great panic; and now I have. Then I had not given the subject careful study and reflection; and now I have given it more thought and investigation than any other subject which has claimed my attention since I entered public life.

In 1892, when I made my second race for Congress, I did not advocate the free, unlimited, and independent coinage of silver. I then saw the trouble that was approaching. I had voted against the consideration of a free coinage measure in Congress. During the canvass I frankly disclaimed a sufficient knowledge of the subject to express an opinion as to what might be the result if this country should undertake free coinage, independently of all other countries. I contented myself with attempting to explain the difference between the advocates of free silver legislation and Mr. Cleveland, our candidate for the Presidency. I was not then, in view of the decline in silver, and the falling off in our gold receipts, disposed to venture an opinion as to what we ought to do. At that time events

which had and were transpiring had shaken opinions formerly entertained on the subject by me, and I hesitated to advise the people when I needed information myself.

PARTY PLATFORMS.

The utterances to be found in our party platforms are often misleading and sometimes provoke the charge of double dealing and insincerity. It is, however, unjust to suppose that because the wording may be liable to two constructions that therefore it was intended to deceive. The language employed correctly expressed the idea which the party intended to convey to its supporters, but the difficulty lies not in the ambiguity of the language but in the inability to give it in the form of a statute, practical effect.

We have a striking illustration of this in our own State. Governor Buchanan, in announcing his candidacy on the 15th of August, 1892 declared for "The free coinage of gold and silver at the present ratio of 16 to 1."

This is the Populist plank and the Populists to a man approve it. While it seems to be very direct and easily understood, it is in truth misleading, because it declares for the free coinage of both gold and silver at the ratio of 16 to 1, when every man of intelligence knows that at that ratio gold would not be coined at all. It is preposterous to assume that the owners of gold bullion would have it coined at our mints into dollars at the ratio of 16 to 1, when one ounce of gold bullion can be exchanged in the open market for thirty-four ounces of silver. The practical effect of Governor Buchanan's platform would be to make the United States a single silver standard country and he would have been more direct and better understood if he had declared for the single silver standard at the ratio of 16 to 1.

The Democratic party of Tennessee, in the convention which convened on May 26, 1892, and nominated Governor Turney, declared:

We favor a parity of the two metals as a common unit of value and as a legal tender for the payment of all debts, public and private, as it existed under the laws of the United States down to the infamous and surreptitious demonetization of silver in 1873 by the Republican party, and we further favor the continued coinage of both silver and gold bullion in such manner as that every dollar so coined shall be equal to every other dollar.

It will be observed nothing is here said about the ratio. The declaration is in favor of the double standard and the maintenance of the parity between the two metals. The National platform declared that "the dollar unit of coinage of both metals must be of equal, intrinsic and exchangeable value." Both platforms mean, it will be perceived, exactly the same thing. To each I give my unqualified indorsement. But I submit to you would I comply with these pledges, made in our National and State platforms, by voting for the "free, unlimited, and independent" coinage of silver at the ratio of 16 to 1? By doing so could I secure for you gold and silver dollars of "equal intrinsic value," or have "every dollar so coined equal" to every other dollar?

But some of you are doubtless ready to ask me at what ratio ought this country to coin silver? My answer is, I don't know. The fluctua-

tuations in the price of silver have been so great for the past two years that I am at sea on the subject. If I could solve the problem and find a ratio at which the two metals could be coined so that every dollar coined would "be equal to every other dollar," I would earnestly advocate its adoption. This neither I nor any other living man can do short of international co-operation on the part of the great commercial powers, and he who pretends that he can is either self-deceived or is attempting to deceive you.

Let me, my fellow citizens, put the question to you. What ratio would you establish? Assuming that all of you are for gold and silver dollars "of the same intrinsic value," then what ratio would you name as the one which would secure that result? Could you agree among yourselves? I doubt if a dozen thoughtful and intelligent men could be found who agree on a ratio. The divergence between the price of silver and gold has been greater in the last twenty years than in all preceding history, and they are still diverging almost daily. The mice may all agree to bell the cat, but the mouse who can accomplish the undertaking is not forthcoming.

We may all agree on the free coinage of silver and gold so as to have every silver dollar intrinsically worth as much as every gold dollar, but when it comes to accomplishing the end the man has yet to be found who can devise a plan to do it. This Government in my opinion cannot alone accomplish it. The Latin Union, composed of France, Italy, Belgium, and Switzerland, reluctantly suspended free coinage when the divergence between the commercial and coinage ratio was slight and the silver market was comparatively stable. If the dictates of prudence and a due regard for their welfare compelled these governments to suspend the coinage of silver in 1876 under conditions then existing, how hazardous and dangerous must it be for the United States independently to undertake the free coinage of silver under the untoward conditions existing now? Great Britain, Germany, the United States, and France, whose example was followed by the lesser powers, are responsible for the downfall of silver, and to their united action must we look for its restoration. It is an international question.

CONCLUSION.

I have now, my fellow-citizens, in this letter given you my views on this much vexed and complicated question. It is not a political, but rather a scientific problem. I have never made it a test of any man's democracy. In recommending a Democrat for appointment under the present Administration, I have never stopped to inquire whether he indorsed my vote, or the vote of Senator Harris, on the silver question. The truth is, so far as appointments are concerned, there never has been a disagreement between Senator Harris and myself in respect to my appointment in the State.

I have reached my own conclusions on the matters I have discussed in this letter, not because I was disposed to differ with any colleague, but because they were the logical results of my investigations, and an earnest effort to arrive at a correct solution of a question which deeply concerned the people I have the honor to represent.

I represent the most important Congressional district in the Southwest. My constituency has the right to require of me careful consideration of the great problems, depending for their solution on Congress. I have devoted myself to my public duties with a singleness of purpose, in order that I might serve acceptably my immediate constituency, my State, and the entire country. Nothing in this life has ever concerned me so much as the upbuilding of the South. No man ever felt more keenly than I have the disadvantages under which our people have struggled. Whatever I could do to lift the burdens from their shoulders, restore confidence, renew hope, inspire patriotism, and stimulate enterprise, I have done. I do not join the critics of President Cleveland in finding fault with the Administration. I have been a student of current events, and of the man the Democratic party has intrusted with leadership. He has my confidence and admiration, and I do not hesitate to say that he deserves the love and gratitude of the Southern people. His Administration has so far passed through perilous times, full of trouble, suspense and anxiety. It has been under a tremendous strain. Engulfed in a panic for which it was in no way responsible, it has repelled the assaults of the great adversary of the Democratic party under conditions most discouraging. Under all these difficulties the President has been chiefly instrumental in shaping events which will redound to the welfare of his country, his party, and especially to the people of the South. When the clouds of doubt and uncertainty, surcharged with slander and misrepresentation, which have enveloped the Administration for many months, are dispelled, and it shall appear in the sunlight of truth and justice, it will stand in the estimation of the people as a signal and triumphant vindication of Democratic principles.

Before concluding this lengthy, and, I fear, tedious letter, I cannot, my fellow-citizens, refrain from calling your attention to an aspect of the times in which we live, which has profoundly impressed and inspired me with high hopes for the future prosperity of the Southern States. It is conceded throughout the country that, notwithstanding the adverse environments which have embarrassed the progress of the Southern people, whereby they have been drained of their substance and impoverished, they have weathered through the hard times with fewer failures, less bankruptcy, and more comfort, than the people of any other section of the American Union. It is conceded everywhere, notwithstanding they have been persistently slandered and held out to the world for all these years as wanting in social order and security to life and property, that they are after all the most conservative and law-abiding people in the country.

It is with pride I have pointed to the fact that Coxe's army secured no recruits from the South. There we have no great armies of the unemployed, no public soup houses, no organized opposition to social order, no anarchy, and no seizure of property by mobs. I have shown that the South, compared with other sections of the Union, owes but little money. The salubrity of its climate, the fertility of its soil, the variety of its productions, its marvelous resources of timber, coal, iron, marble and limestone, and the conservatism

of its people, offer opportunities for enterprise and settlement, not found elsewhere on the habitable globe. It seems to me we are approaching a great opportunity. We now have no western frontier. Our population has surged from ocean to ocean. The disappointment which has been experienced in the far west is great. Cold, barren, and inhospitable, as compared with the South, the far west furnishes no such opportunities for enterprise and development as we do. It seems that every political vagary which has sprung up in the last twenty years has had its origin west of the Missouri river. Vast sums of money have been lost in ventures, often wild and chimerical, in that section. I do not state the fact too strongly when I say that that section, which has heretofore received such a vast influx of immigration and capital, is impaired in its credit and blighted in its prosperity by its political follies. The populist reign which has taken place there has been subversive of good order and public confidence.

Who will blame me as the representative of the Tenth Congressional district if I have avoided this example and have contributed my voice and vote to the upbuilding of the South by bringing it into closer political and commercial relations with that great and controlling section—controlling alike in wealth and population—which lies north of the Potomac and Ohio rivers and east of the Missouri. This, as I see it, is the road to prosperity, to happiness, to a broader national life, to the welfare of the Southern people and the whole country.

Truly yours,

JOSIAH PATTERSON.

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**END OF
TITLE**